

P R E S S E M E L D U N G

Poverty resilient minimum income schemes across the EU

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The Association of German Social Welfare Organisations (BAGFW) points out that the current crises - with which the European Union is currently confronted - once again highlight the need for binding measures for minimum income schemes in the Member States. With regard to the negotiations in the Council for Employment, Social Policy, Health and Consumer Affairs (EPSCO) on the "Council Recommendation on Adequate Minimum Income to Ensure Active Inclusion" scheduled for Thursday, 8 December 2022, in Brussels, BAGFW repeats its demand for poverty resilient minimum income schemes throughout the EU.

"We need enforceable and poverty resilient minimum income schemes in every EU Member State, ensuring that poverty is genuinely and reliably combated in all Member States of the EU. Increasing social inequalities fuel populism and, ultimately, endanger cohesion in Europe," **says BAGFW President Ulrich Lilie**. To overcome these challenges, poverty resilient minimum income systems in every EU Member State are an indispensable measure of combating poverty and strengthening democracy.

BAGFW calls for legally binding regulations

Although we welcome the content of the European Commission's proposal, which comes close to the demand for a poverty resilient minimum income, there is a lack of legally binding measures that would advance the actual implementation in the Member States. Therefore, BAGFW demands that an EU directive on minimum income systems in the EU Member States is proposed based on the upcoming Council recommendation. Such a directive must guarantee a legally enforceable and poverty resilient benefit level, at least at the level of the socio-cultural subsistence minimum of the respective Member State. It must create guaranteed universal and non-discriminatory access to high-quality services, such as health care, childcare, education and training measures that enable or promote (re-) entry into the labour market and remaining in employment. Furthermore, continuous access to energy supply and mobility must be ensured. Likewise, a directive must ensure the possibility of social, cultural and economic participation and empowerment of beneficiaries.

"Evaluation 2032? - Too late," says BAGFW

BAGFW points out that the envisaged monitoring in 2032 is far too late and will lead to delays in implementation. The poverty reduction target of the European Pillar of Social Rights Action Plan is to be implemented by 2030. In addition, the elections for the new term of the European Parliament will take place in 2024. BAGFW therefore calls for an evaluation to be scheduled as early as 2025 and emphasizes the urgent need for effective implementation of the recommendation in the Member States.

Preventing existentially threatening living conditions

For the proposed recommendation to improve the adequacy of income support along the lines of the European Charter of Fundamental Rights and the European Pillar of Social Rights, universal, non-discriminatory access to social benefits, as well as sustainable access to quality work, must be ensured. Barriers to (re-)entering or remaining in the labour market must be removed. It must be ensured that no precarious, below-minimum-wage or undeclared employment is assigned to those seeking employment.

BAGFW sees the need for incentives that contribute to the inclusion of non-employed people in the labour market. However, we would like to emphasise that these incentives should not be linked to the possibility of reducing benefits, which would create living situations that threaten people's existence. The encouragement and social participation of those affected should be an essential component of inclusive measures.

Financing proposal: "Golden Rule"

To finance national poverty resilient minimum income schemes outside of the current Maastricht criteria of the EU - which set limits on the respective indebtedness of the Member States - BAGFW proposes to introduce a "golden rule". This would allow EU Member States to deduct certain types of public investment from the calculation of their national public deficit (e. g. in early childhood education, training and active labour market policies, and the creation of affordable and adequate housing). This could effectively support Member States with insufficient financial flexibility to increase their social spending.

The comprehensive and detailed demands of BAGFW can be found in the opinion available [here](#) (currently only available in German).